
State:	District of Columbia	Filing Company:	Markel American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2006 Directors & Officers Liability		
Product Name:	Investment Adviser 2016		
Project Name/Number:	Investment Adviser 2016/1610RF017/1610RF017		

Filing at a Glance

Company:	Markel American Insurance Company
Product Name:	Investment Adviser 2016
State:	District of Columbia
TOI:	17.2 Other Liability-Claims Made Only
Sub-TOI:	17.2006 Directors & Officers Liability
Filing Type:	Rate/Rule
Date Submitted:	11/11/2016
SERFF Tr Num:	MRKB-130787294
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	1610RR017
Effective Date	02/01/2017
Requested (New):	
Effective Date	
Requested (Renewal):	
Author(s):	Kristin Peyton
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State: District of Columbia **Filing Company:** Markel American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2006 Directors & Officers Liability
Product Name: Investment Adviser 2016
Project Name/Number: Investment Adviser 2016/1610RF017/1610RF017

General Information

Project Name: Investment Adviser 2016/1610RF017 Status of Filing in Domicile: Pending
Project Number: 1610RF017 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 11/11/2016
State Status Changed: Deemer Date:
Created By: Kristin Peyton Submitted By: Kristin Peyton
Corresponding Filing Tracking Number: 1610FF017

Filing Description:

Markel American Insurance Company wishes to submit the enclosed new Investment Adviser and Fund Professional and Directors and Officers Program forms and corresponding rates/rules.

Please refer to the enclosed filing memorandums for complete details.

We trust you will find this submission in order. We wish to utilize this filing effective February 1, 2017 all new policies. Should you have any questions or require additional information, please contact Kristin Peyton at (800) 431-1270 ext. 118822, by e-mail at kpeyton@markelcorp.com or by mail at the address below.

Company and Contact

Filing Contact Information

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Specialist
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Glen Allen, VA 23060 804-527-7900 [FAX]

Filing Company Information

Markel American Insurance Company	CoCode: 28932	State of Domicile: Virginia
4600 Cox Road	Group Code: 785	Company Type: Commercial
Glen Allen, VA 23060	Group Name:	Property & Casualty
(800) 431-1270 ext. [Phone]	FEIN Number: 54-1398877	State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:	MRKB-130787294	State Tracking #:		Company Tracking #:	1610RR017
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Rate Information

Rate data does NOT apply to filing.

SERFF Tracking #:	MRKB-130787294	State Tracking #:		Company Tracking #:	1610RR017
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Rate/Rule Schedule

SERFF Tracking #:

MRKB-130787294

State Tracking #:

Company Tracking #:

1610RR017

State:

District of Columbia

Filing Company:

Markel American Insurance Company

TOI/Sub-TOI:

17.2 Other Liability-Claims Made Only/17.2006 Directors & Officers Liability

Product Name:

Investment Adviser 2016

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Investment Adviser 2016/1610RF017/1610RF017

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		General Rules	MAIC-IA-1	New		MAIC-IA-1.pdf
2		General Rules cont'd	MAIC-IA-2	New		MAIC-IA-2.pdf
3		General Rules cont'd	MAIC-IA-3	New		MAIC-IA-3.pdf
4		Insuring Agreement Rules - Investment Adviser Professional Liab.	MAIC-IA-4	New		MAIC-IA-4.pdf
5		Insuring Agreement Rules - Investment Adviser Professional Liab. cont'd	MAIC-IA-5	New		MAIC-IA-5.pdf
6		Insuring Agreement Rules - Mutual Fund and Hedge Fund Professional Liab.	MAIC-IA-6	New		MAIC-IA-6.pdf
7		Insuring Agreement Rules - Service Provider Professional Liab.	MAIC-IA-7	New		MAIC-IA-7.pdf
8		Insuring Agreement Rules - Directors and Officers Liab.	MAIC-IA-8	New		MAIC-IA-8.pdf
9		Insuring Agreement Rules - Directors and Officers Liab. cont'd	MAIC-IA-9	New		MAIC-IA-9.pdf
10		Insuring Agreement Rules - Employment Practices Liab.	MAIC-IA-10	New		MAIC-IA-10.pdf
11		Insuring Agreement Rules - Employment Practices Liab. cont'd	MAIC-IA-11	New		MAIC-IA-11.pdf
12		Insuring Agreement Rules - Fiduciary Liab.	MAIC-IA-12	New		MAIC-IA-12.pdf
13		Insuring Agreement Rules - Fiduciary Liab. cont'd	MAIC-IA-13	New		MAIC-IA-13.pdf
14		Optional Coverages	MAIC-IA-14	New		MAIC-IA-14.pdf
15		Rating Modifications	MAIC-IA-15	New		MAIC-IA-15.pdf
16		Rating Modifications con't	MAIC-IA-16	New		MAIC-IA-16.pdf
17		Rating Modifications con't	MAIC-IA-17	New		MAIC-IA-17.pdf
18		Rating Modifications con't	MAIC-IA-18	New		MAIC-IA-18.pdf
19		Rating Modifications con't	MAIC-IA-19	New		MAIC-IA-19.pdf
20		Rating Modifications con't	MAIC-IA-20	New		MAIC-IA-20.pdf

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21		Rating Modifications con't	MAIC-IA-21	New		MAIC-IA-21.pdf
22		Rating Modifications con't	MAIC-IA-22	New		MAIC-IA-22.pdf
23		Schedule Rating	MAIC-IA-23A	New		MAIC-IA-23A.pdf

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

General Rules

1. The Investment Adviser and Fund Professional Directors and Officers Liability policy is to be written as primary for Investment Advisers and Mutual or Hedge Funds.
2. The Investment Adviser and Fund Professional Directors and Officers Liability Policy is intended to provide the following primary coverages:
 - A. Investment Adviser Professional Liability
 - B. Mutual Fund and Hedge Fund Professional Liability
 - C. Service Provider Professional Liability
 - D. Directors and Officers Liability
 - E. Employment Practices Liability
 - F. Fiduciary Liability
3. The *Investment Adviser and Fund Professional Directors and Officers Liability Coverage Form*, MGPL 0003, is to be used to provide directors & officers coverage to Investment Advisers or Funds.
4. This Program is divided into the following separate sections:

A. General Rules	D. Rate Modification Factors
B. Individual Insuring Agreement rules	E. Schedule Rating
C. Optional Coverages	
5. **Rounding Procedure**
 - A. Round rates, factors and multipliers after the final calculation to three decimal places. Five tenths or more of a mill shall be considered one mill, for example, .1245 = .125.

Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$0.50 or over to the next higher dollar, for example, \$0.50 = \$1.00
 - B. A rate or rating factor should be interpolated using the filed factors if the desired factor is not displayed.
6. Coverage is provided for certified acts of terrorism on all policies for no additional charge. Endorsement *Cap On Losses For Certified Acts of Terrorism Coverage*, MGPL 4218, will be attached to the policy.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

General Rules Con't

7. Additional Premium Changes

A. Calculation of Premium

- 1) Pro-rate all changes requiring additional premium.
- 2) Apply the rates and rules in effect on the effective date of the policy, or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date.

8. Return Premium Changes

A. Premium Computation

- 1) Compute return premium at the rates used to calculate the total policy premium.
- 2) Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.

9. Policy Cancellations

A. Pro Rata Calculation

- 1) Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:
 - a) At the Company's request;
 - b) Because the insured no longer has a financial or insurable interest in the property or business operation that is the subject of insurance;
 - c) Rewritten in the same company or company group; or
 - d) After the first year for a prepaid policy written for a term of more than one year.

B. Other Calculations

- 1) If Rule A, Pro Rata Calculations, does not apply, compute return premium as follows:
- 2) Continuous and Annual Premium Payment Policies – Compute return premium at 0.90 of the pro rata unearned premium for the one-year or annual installment period and round to the next higher whole dollar.
- 3) Prepaid Policies – If cancelled during the first year, compute the return premium at 0.90 of the pro rata unearned premium for the first year, plus the full annual premium for the subsequent years.
- 4) Policies With Term Less Than One Year – Compute return premium at 0.90 of the pro rata unearned premium and round to the next higher whole dollar.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

General Rules Con't

10. Special Rule for Individual Risk Situations

A. Refer To The Company

- 1) For rating or classifying any risk or exposure for which:
 - a) The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk; or
 - b) The coverage to be written is broader than that contained in the applicable Standard Coverage Part; or
 - c) There is proof that, for a specific coverage, the named risk is qualified for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
- 2) If a Coverage Part providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.
- 3) Where liability increased limits are provided and the risk is reinsured on a facultative basis. The following rating procedure is available for the determination of the applicable premium:
 - a) Manual rules and rates shall apply to the portion of the limits of liability retained by the company.
 - b) For limits of liability obtained by means of facultative reinsurance, the premium shall be the facultative for such insurance increased by a charge up to but not exceeding 50%.

B. Regulatory Obligations

- 1) When a particular risk is modified in accordance with Paragraph A., companies should maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Such modifications need not be filed with the state regulator.
- 2) To the extent that consent-to-rate procedures apply, they will be followed.
- 3) To the extent that forms filing requirements apply, they will be followed.
- 4) Rates shall not be inadequate, excessive or unfairly discriminatory.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

11. Insuring Agreement Rules

A. Investment Adviser Professional Liability

1) Base Rate

- a) Determine the appropriate base premium.
- b) The basis used for determining the base premium charge is the total annual assets under management.
- c) The base premiums are displayed at limits of \$1,000,000.
- d) The base premiums displayed contemplate separate limits this coverage.

Assets under Management			Base Rate	Base Retention
\$0	to <	\$500,000,000	\$10,000	\$50,000
\$500,000,000	to <	\$1,000,000,000	\$11,000	\$50,000
\$1,000,000,000	to <	\$2,000,000,000	\$12,000	\$50,000
\$2,000,000,000	to <	\$4,000,000,000	\$13,000	\$100,000
\$4,000,000,000	to <	\$7,000,000,000	\$15,000	\$100,000
\$7,000,000,000	to <	\$10,000,000,000	\$20,000	\$100,000
\$10,000,000,000	to <	\$15,000,000,000	\$25,000	\$250,000
\$15,000,000,000	to <	\$20,000,000,000	\$30,000	\$250,000
\$20,000,000,000	to <	\$25,000,000,000	\$34,000	\$250,000
\$25,000,000,000	to <	\$35,000,000,000	\$39,000	\$500,000
\$35,000,000,000	to <	\$50,000,000,000	\$45,000	\$500,000
\$50,000,000,000	to <	\$75,000,000,000	\$50,000	\$750,000
\$75,000,000,000	to <	\$100,000,000,000	\$55,000	\$750,000
\$100,000,000,000	to <	\$150,000,000,000	\$65,000	\$1,000,000
\$150,000,000,000	to <	\$200,000,000,000	\$75,000	\$1,000,000
\$200,000,000,000	to <	\$300,000,000,000	\$90,000	\$1,000,000
\$300,000,000,000	to <	\$400,000,000,000	\$100,000	\$1,000,000
\$400,000,000,000	to <	\$500,000,000,000	\$110,000	\$1,000,000
Each additional 100,000,000,000			\$8,000	\$1,000,000

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

A. Investment Adviser Professional Liability Con't

2) Optional Limits of Liability

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of liability be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.
- c) The below factors will be utilized by all insuring agreements unless otherwise noted.

Increased Limit Factors

Limit	Factor
\$500,000	0.800
\$1,000,000	1.000
\$2,000,000	1.682
\$3,000,000	2.280
\$5,000,000	3.344
\$10,000,000	5.623
\$15,000,000	7.622
\$20,000,000	9.457
\$25,000,000	11.180

For Limits over \$1,000,000 not displayed, the factor = [limit in millions]^0.75
For Limits less than \$1,000,000 linear interpolation should be used to determine the factor.

3) Retention

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss.
- b) Add the applicable retention factor from the table below to the increased limit factor.
- c) Use the sum of the base retention for Investment Advisors Assets under Management and Mutual Fund Assets Under Management if Mutual Fund and Hedge Fund or Service Provider Coverage is purchased.
- d) Multiply the factor determined in 11.A.3) b) by the base premium.

Selected Retention	Base Retention					
	\$50,000	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000
\$25,000	0.1	0.16	0.26	0.34	0.4	0.47
\$50,000	0	0.05	0.14	0.21	0.27	0.33
\$100,000	-0.05	0	0.09	0.16	0.21	0.27
\$150,000	-0.1	-0.06	0.03	0.09	0.15	0.2

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

A. Investment Adviser Professional Liability Con't

Selected Retention	Base Retention					
	\$50,000	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000
\$250,000	-0.13	-0.08	0	0.06	0.11	0.17
\$500,000	-0.17	-0.13	-0.05	0	0.05	0.1
\$750,000	-0.21	-0.17	-0.1	-0.05	0	0.05
\$1,000,000	-0.25	-0.21	-0.14	-0.09	-0.04	0
\$2,000,000	-0.31	-0.27	-0.21	-0.16	-0.12	-0.07
\$2,500,000	-0.33	-0.29	-0.23	-0.18	-0.14	-0.1
\$3,000,000	-0.34	-0.31	-0.25	-0.2	-0.16	-0.12
\$4,000,000	-0.37	-0.33	-0.27	-0.23	-0.19	-0.15
\$5,000,000	-0.39	-0.36	-0.3	-0.26	-0.22	-0.18
\$7,500,000	-0.42	-0.39	-0.34	-0.3	-0.26	-0.23
\$10,000,000	-0.45	-0.42	-0.37	-0.33	-0.29	-0.26

For retentions not shown, use linear interpolation.

For retentions > \$10,000,000, apply a factor of 1.05 to the \$10,000,000 selected retention factor for each additional \$2,500,000.

B. Mutual Fund and Hedge Fund Professional Liability

1) Base Rate

- a) The premium for Mutual Fund Liability is developed using the mutual fund assets under management to determine the premium from the table in 11.A.
- b) The premium for Hedge Fund Professional Liability is developed using assets under management of the Hedge Fund to determine the base premium from the following table.
- c) The premium for Mutual Fund and Hedge Fund Professional Liability is the sum of the premium developed in steps a) and b) above.

Assets under Management (Hedge or Private Fund)			Base Rate	Base Retention
\$0	to <	\$100,000,000	\$15,000	\$50,000
\$100,000,000	to <	\$250,000,000	\$17,000	\$100,000
\$250,000,000	to <	\$500,000,000	\$19,000	\$100,000
\$500,000,000	to <	\$1,000,000,000	\$23,000	\$250,000
\$1,000,000,000	to <	\$2,000,000,000	\$25,000	\$250,000
\$2,000,000,000	to <	\$4,000,000,000	\$30,000	\$500,000
\$4,000,000,000	to <	\$7,000,000,000	\$35,000	\$1,000,000
\$7,000,000,000	to <	\$10,000,000,000	\$40,000	\$1,000,000
\$10,000,000,000	to <	\$15,000,000,000	\$45,000	\$1,000,000
Each additional 5,000,000,000			\$3,000	\$1,000,000

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

B. Mutual Fund and Hedge Fund Professional Liability Con't

2) Optional Limits

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of insurance be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.
- c) The below factors will be utilized by all insuring agreements unless otherwise noted.
- d) Select a factor from table 11.A.2) based upon the desired limit of insurance.

3) Retention

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss..
- b) Use the sum of the base retention for Investment Advisors Assets under Management and Mutual Fund Assets Under Management if Mutual Fund and Hedge Fund or Service Provider Coverage is purchased.
- c) Add the retention factor from the table in 11.A.3) to the optional limits factor in 11.B.2) d)
- d) Apply the resulting factor from 11.B.3) c) to the base premium.

C. Service Provider Professional Liability

1) Base Rate

- a) Determine the appropriate base premium.
- b) The basis used for determining the base premium charge is the mutual fund assets under management.
- c) The base premiums are displayed at limits of \$1,000,000.
- d) The base premiums displayed contemplate separate limits this coverage.
- e) The premium for the Service Provider Professional Liability is calculated using the premium from the table in 11.A.1) apply a factor of 0.15 to the associated premium to determine the Service Provider Professional Liability base premium.

2) Optional Limits

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of insurance be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.
- c) Select a factor from table 11.A.2) based upon the desired limit of insurance.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

C. Service Provider Professional Liability Con't

3) Retention

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss.
- b) Add the applicable retention factor from the table in 11.A.3) to the optional limits factor from 11.C.2).
- c) Apply the resulting factor from 11.C.3) b) to the base premium.

D. Directors and Officers Liability Insurance

1) Base Rate

- a) Determine the appropriate base premium from the table below.
- b) The basis used for determining the base premium charge is the total annual assets under management.
- c) The base premiums are displayed at limits of \$1,000,000.
- d) The limits will be the same for both Directors and Officers insuring agreements, the coverage for insured executives and for insured entities.
- e) The base premiums displayed contemplate separate limits this coverage.

Assets under Management			Base Rate	Base Retention
\$0	to <	\$500,000,000	\$3,500	\$25,000
\$500,000,000	to <	\$1,000,000,000	\$3,600	\$50,000
\$1,000,000,000	to <	\$2,000,000,000	\$3,800	\$50,000
\$2,000,000,000	to <	\$4,000,000,000	\$4,200	\$50,000
\$4,000,000,000	to <	\$7,000,000,000	\$4,800	\$50,000
\$7,000,000,000	to <	\$10,000,000,000	\$5,400	\$100,000
\$10,000,000,000	to <	\$15,000,000,000	\$6,000	\$100,000
\$15,000,000,000	to <	\$20,000,000,000	\$8,000	\$100,000
\$20,000,000,000	to <	\$25,000,000,000	\$9,000	\$100,000
\$25,000,000,000	to <	\$35,000,000,000	\$10,500	\$250,000
\$35,000,000,000	to <	\$50,000,000,000	\$12,500	\$250,000
\$50,000,000,000	to <	\$75,000,000,000	\$15,500	\$250,000
\$75,000,000,000	to <	\$100,000,000,000	\$18,000	\$500,000
\$100,000,000,000	to <	\$150,000,000,000	\$22,000	\$500,000
\$150,000,000,000	to <	\$200,000,000,000	\$25,000	\$750,000
\$200,000,000,000	to <	\$300,000,000,000	\$26,500	\$750,000
\$300,000,000,000	to <	\$400,000,000,000	\$28,000	\$750,000
\$400,000,000,000	to <	\$500,000,000,000	\$30,000	\$750,000
Each additional 100,000,000,000			\$1,000	\$750,000

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

D. Directors and Officers Liability Insurance Con't

2) Optional Limits

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of insurance be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.
- c) Select a factor from table 11.A.2) based upon the desired limit of insurance and multiply by the base premium.

3) Retention Factors

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss.
- b) Add the applicable retention factor from the table below to the optional limits factor in 11.D.2).
- c) Multiply the factor determined in 11.D.3) b) by the base premium.
- d) The retention for insured executive coverage is not applicable.

Selected Retention	Base Retention				
	\$50,000	\$100,000	\$250,000	\$500,000	\$750,000
\$25,000	0.10	0.16	0.26	0.34	0.40
\$50,000	0.00	0.05	0.14	0.21	0.27
\$100,000	-0.05	0.00	0.09	0.16	0.21
\$150,000	-0.10	-0.06	0.03	0.09	0.15
\$250,000	-0.13	-0.08	0.00	0.06	0.11
\$500,000	-0.17	-0.13	-0.05	0.00	0.05
\$750,000	-0.21	-0.17	-0.10	-0.05	0.00
\$1,000,000	-0.25	-0.21	-0.14	-0.09	-0.04
\$2,000,000	-0.31	-0.27	-0.21	-0.16	-0.12
\$2,500,000	-0.33	-0.29	-0.23	-0.18	-0.14
\$3,000,000	-0.34	-0.31	-0.25	-0.20	-0.16
\$4,000,000	-0.37	-0.33	-0.27	-0.23	-0.19
\$5,000,000	-0.39	-0.36	-0.30	-0.26	-0.22
\$7,500,000	-0.42	-0.39	-0.34	-0.30	-0.26
\$10,000,000	-0.45	-0.42	-0.37	-0.33	-0.29

For retentions not displayed, use linear interpolation.

For retentions > \$10,000,000, apply a factor of 1.05 to the \$10,000,000 selected retention factor for each additional \$2,500,000.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

E. Employment Practices Liability

1) Coverage for Employment Practices Liability is provided by attaching MGPL 4222, *Employment Practices Liability*.

2) Base Rate

- a) Determine the appropriate base premium from the table below.
- b) The basis used for determining the base premium charge is the total number of employees.
- c) The base premiums are displayed at limits of \$1,000,000.
- d) The base premiums displayed contemplate separate limits this coverage.
- e) Number of employees = (1.0 x full time employees + 0.8 x part time employees + 1/N x foreign employees), where N can be between 6 and 20.

Employment Practices

Number of Employees	Base Rate	Number of Employees	Base Rate
First 14	\$3,090 flat	Next 250	\$31.12
Next 45	\$66.50	Next 250	\$23.00
Next 40	\$43.75	Next 1500	\$4.61
Next 50	\$41.37	Next 2500	\$3.08
Next 50	\$41.12	Next 2500	\$1.81
Next 150	\$39.00	Next 2500	\$1.28
Next 150	\$38.50		

3) Optional Limits

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of insurance be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.

Select a factor from the following table based upon the desired limit of insurance and multiply by the base premium.

Limit	Factor	Limit	Factor
\$500,000	0.800	\$4,000,000	2.549
\$1,000,000	1.000	\$5,000,000	2.963
\$2,000,000	1.597	\$7,500,000	3.896
\$2,500,000	1.856	\$10,000,000	4.732
\$3,000,000	2.099		

For Limits over \$1,000,000 not displayed, the factor = [limit in millions]^0.675

For Limits less than \$1,000,000 linear interpolation should be used to determine the factor.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

E. Employment Practices Liability Con't

4) Retention

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss.
- b) Add the factor determined below to the optional limits factor from 11.E.3).
- c) Multiply the result from 11.E.4) b) by the base premium.

Selected Retention	Base Retention (Number of Employees)							
	1-99	100-249	250-499	500-999	1,000-2,499	2,500-4,999	5,000 -7,499	7,500 - 9,999
\$2,500	0.450	0.545	0.683	0.916	1.345	1.495	1.572	1.848
\$5,000	0.150	0.225	0.335	0.520	0.860	0.979	1.040	1.259
\$10,000	0.000	0.065	0.161	0.321	0.617	0.720	0.774	0.965
\$15,000	-0.061	0.000	0.090	0.240	0.554	0.615	0.665	0.844
\$20,000	-0.105	-0.046	0.039	0.183	0.482	0.540	0.588	0.759
\$25,000	-0.138	-0.082	0.000	0.138	0.426	0.482	0.528	0.692
\$50,000	-0.243	-0.194	-0.122	0.000	0.253	0.302	0.324	0.486
\$75,000	-0.305	-0.259	-0.193	-0.081	0.151	0.197	0.234	0.367
\$100,000	-0.348	-0.305	-0.243	-0.138	0.080	0.122	0.156	0.280
\$150,000	-0.381	-0.340	-0.281	-0.182	0.000	0.039	0.071	0.186
\$200,000	-0.404	-0.365	-0.308	-0.212	-0.038	0.000	0.031	0.142
\$250,000	-0.422	-0.384	-0.329	-0.236	-0.067	-0.030	0.000	0.107
\$350,000	-0.449	-0.413	-0.360	-0.272	-0.111	-0.076	-0.047	0.055
\$500,000	-0.478	-0.444	-0.394	-0.310	-0.157	-0.123	-0.097	0.000
\$750,000	-0.510	-0.478	-0.432	-0.353	-0.210	-0.179	-0.153	-0.062
\$1,000,000	-0.534	-0.503	-0.449	-0.384	-0.247	-0.217	-0.193	-0.106
\$2,000,000	-0.590	-0.563	-0.524	-0.458	-0.338	-0.312	-0.290	-0.214
\$2,500,000	-0.608	-0.582	-0.544	-0.481	-0.366	-0.341	-0.321	-0.248
\$5,000,000	-0.663	-0.641	-0.609	-0.555	-0.456	-0.435	-0.418	-0.355
\$10,000,000	-0.719	-0.701	-0.674	-0.629	-0.547	-0.529	-0.514	-0.462
\$20,000,000	-0.775	-0.760	-0.739	-0.703	-0.637	-0.622	-0.611	-0.569
\$25,000,000	-0.793	-0.780	-0.760	-0.727	-0.666	-0.653	-0.642	-0.604

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

F. Fiduciary Liability

1) Coverage for Fiduciary Liability can be provided by attaching MGPL 4224, *Fiduciary Liability*.

2) Base Rate

- a) Determine the appropriate base premium from the table below.
- b) The basis used for determining the base premium charge is the total plan assets.
- c) The base premiums are displayed at limits of \$1,000,000.
- d) The base premiums displayed contemplate separate limits this coverage.

Total Plan Assets			Base Rate
\$0	to <	\$250,000	\$800
\$250,000	to <	\$500,000	\$1,000
\$500,000	to <	\$1,000,000	\$1,500
\$1,000,000	to <	\$1,750,000	\$1,800
\$1,750,000	to <	\$2,500,000	\$2,150
\$2,500,000	to <	\$5,000,000	\$2,600
\$5,000,000	to <	\$10,000,000	\$3,300
\$10,000,000	to <	\$25,000,000	\$4,400
\$25,000,000	to <	\$50,000,000	\$5,525
\$50,000,000	to <	\$100,000,000	\$7,000
\$100,000,000	to <	\$250,000,000	\$8,000
\$250,000,000	to <	\$500,000,000	\$11,300
\$500,000,000	to <	\$1,000,000,000	\$16,000
\$1,000,000,000	to <	\$2,500,000,000	\$25,000
Each additional \$1,500,000			\$8,000

3) Optional Limits

- a) The base premiums displayed contemplate that the limit of liability provided is \$1,000,000.
- b) If the insured desires a different limit of insurance be provided, the base premium at the optional limits is calculated by applying a factor to \$1,000,000 rates.
- c) Select a factor from the following table based upon the desired limit of insurance and multiply by the base premium.

Increased Limit Factors

Limit	Factor	Limit	Factor
\$500,000	0.800	\$4,000,000	2.056
\$1,000,000	1.000	\$5,000,000	2.309
\$2,000,000	1.434	\$7,500,000	2.851
\$2,500,000	1.610	\$10,000,000	3.311
\$3,000,000	1.771		

For Limits over \$1,000,000 not displayed, the factor = [limit in millions]^0.52

For Limits less than \$1,000,000 linear interpolation should be used to determine the factor.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

F. Fiduciary Liability Con't

4) Retention

- a) This is a method of coverage under which the organization agrees to contribute up to a specific sum per claim towards claims expenses and the amount paid as loss.
- b) Add the applicable retention factor from the table below to the optional limits factor from 11.F.3.
- c) Multiply the result from 11.F.4) b) by the base premium.

Total Plan			Base Retention (in 000s)										
Assets			\$0	\$5	\$10	\$25	\$50	\$100	\$250	\$500	\$1,000	\$2,500	\$5,000
\$0	to <	\$10,000,000	0.000	0.080	0.130	0.220	0.330	0.435	0.504	0.548	0.590	0.604	0.630
\$10,000,000	to <	\$25,000,000	0.000	0.080	0.130	0.220	0.330	0.435	0.504	0.548	0.590	0.604	0.630
\$25,000,000	to <	\$50,000,000	0.000	0.080	0.130	0.220	0.330	0.435	0.504	0.548	0.590	0.604	0.630
\$50,000,000	to <	\$100,000,000	0.000	0.080	0.130	0.220	0.330	0.435	0.504	0.548	0.590	0.604	0.630
\$100,000,000	to <	\$250,000,000	-0.080	0.000	0.060	0.160	0.280	0.387	0.462	0.509	0.550	0.570	0.600
\$250,000,000	to <	\$500,000,000	-0.150	-0.060	0.000	0.100	0.230	0.350	0.430	0.480	0.520	0.544	0.570
\$500,000,000	to <	\$1,000,000,000	-0.270	-0.170	-0.110	0.000	0.150	0.278	0.367	0.422	0.470	0.494	0.520
\$1,000,000,000	to <	\$2,500,000,000	-0.490	-0.370	-0.290	-0.160	0.000	0.157	0.260	0.326	0.380	0.409	0.440

Linear interpolation should be used for retention factors not displayed.

For retentions greater than \$2,500,000, apply a factor of 1.05 to the \$1,000,000 to \$2,500,000 factor for each addl \$1,500,000 limit.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

12. Optional Coverages

A. Extended Reporting Period

- 1) At the conclusion of coverage an optional extended reporting period is available.
- 2) To provide the extended reporting period use *Extended Reporting Period endorsement*, MGPL 4223.
- 3) The charge for the optional extended reporting period is determined by multiplying the appropriate factor by the expiring policy premium.

Length of Reporting Period (Years)	1	2	3	6	Unlimited
Factor	1.00	1.25	1.50	1.75	2.00

- 4) If there is a change in ownership, control dissolution or other event such that the named insured is liquidated or not the surviving entity, the named insured may elect to extend the discovery period. In these situations the factors displayed above are not applicable. Instead the additional premium for such an extension will be considered an individual risk situation and will follow the rules as outlined on page MAIC-IA-3.

B. Investigative Costs for Derivative Demand

Coverage to provide Investigative Costs for Derivative Demand can be provided by attaching MGPL 4225, *Investigative Costs for Derivative Demand*. Charge 5% - 10% of the Directors and Officers liability coverage premium.

C. Outside Directorship Liability Coverage

Coverage for Outside Directorship Liability can be provided by attaching MGPL 4227, *Outside Directorship Liability*. Multiply the base premium of the applicable insuring agreement, the applicable ILF and retention factor by the factor in the following table to determine the coverage premium.

Number of Outside Board Seats	Factor
3 or fewer	0.06
4 to 6	0.09
7 to 9	0.12
10 or more	0.15

- D. The combined aggregate limit is the sum of the individual insuring agreement limits. If a combined aggregate policy limit of liability is selected that is not the sum of the separate limits of liability, apply a 3% credit for every 10% reduction of in the combined aggregate policy limit of liability.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications

A. Multiple Coverage Rate Modifications

Apply the following factors to each applicable coverage identified.

1. Prior Litigation (Investment Advisers Professional, D&O and Mutual and Hedge Fund)

None	0.85- 0.95
Minimal	0.96 - 1.05
Material	1.06 - 1.25
Significant	1.26 - 1.35

2. Management Experience Level (Investment Advisers Professional, D&O and Mutual and Hedge Fund)

Above Average	0.85 - 0.95
Average	0.96 - 1.05
Below Average	1.06 - 1.25

3. Prior Claim Activity (Directors and Officers, EPL, Fiduciary)

None	0.90 – 1.00
Minimal	1.01 – 1.10
Material	1.11 - 1.25
Significant	1.26 – 2.50

4. Years in Business (All coverage parts)

>10 years	0.85 - 0.95
>5 but <= 10 years	0.96 - 1.05
<= 5 years	1.06 - 1.25

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

B. Investment Adviser and Service Provider Professional Rate Modifications

1. Operations: Performance Results

Excellent	0.90 - 0.95
Above Average	0.96 - 1.00
Average	1.01 - 1.05
Below Average	1.06 - 1.10
Poor	1.11 - 1.15

2. Operations: Operating Procedures

Excellent	0.90 - 0.95
Above Average	0.96 - 1.00
Average	1.01 - 1.05
Below Average	1.06 - 1.10
Poor	1.11 - 1.15

3. Type of Clients

Institutional	0.85 - 0.95
Blended	0.96 - 1.00
High Net Worth Individual	1.01 - 1.10
Retail	1.15 - 1.15

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

C. Mutual Fund and Hedge Fund Professional Rate Modifications

1. Complexity of Investment Strategy

low	0.80 - 0.95
average	0.96 - 1.05
high	1.06 - 1.20

2. Type of Investor

Institutional	0.90 - 1.00
Blended	1.01 - 1.20
Individual	1.21 - 1.30

3. Investment Performance:

Excellent	0.90 - 0.95
Above Average	0.96 - 1.00
Average	1.01 - 1.05
Below Average	1.06 - 1.10
Poor	1.11 - 1.15

4. Quality of Outside Service Providers:

Excellent	0.75 - 0.85
Above Average	0.86 - 0.95
Average	0.96 - 1.05
Below Average	1.06 - 1.15
Poor	1.16 - 1.25

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

D. Directors and Officers Rate Modifications

1. Financial Strength

Excellent	0.75 - 0.95
Solid	0.96 - 1.05
Average	1.06 - 1.25
Deteriorating	1.26 - 1.50

2. Financial Trends

Excellent	0.75 - 0.95
Above Average	0.96 - 1.05
Average	1.06 - 1.25
Below Average	1.26 - 1.75

3. Management Stability/Turnover Level

Little	0.75 - 0.95
Some	0.96 - 1.05
Significant	1.06 - 1.25

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

E. Employment Practices Liability Rate Modifications

1. Hedge Fund Manager

Are employees working as hedge fund manager

yes	1.10 - 1.20
no	1.00

2. Employee Turnover Rate

Below Average	0.85 - 0.95
Average	0.96 - 1.05
Above Average	1.06 - 1.25

3. Reductions In Work Force

Below Average	0.85 - 0.95
Average	0.96 - 1.05
Above Average	1.06 - 1.25

4. Employee Diversity

Above Average	0.90 - 1.00
Average	1.01 - 1.10
Below Average	1.11 - 1.20

5. Complexity of workforce

Below Average	0.90 - 0.95
Average	0.96 - 1.05
Above Average	1.06 - 1.25

6. Human Resources - Practices and Procedures

Above Average	0.85 - 0.95
Average	0.96 - 1.05
Below Average	1.06 - 1.25

7. Human Resources - Training and communication of Practices and Procedures

Above Average	0.90 - 1.00
Average	1.01 - 1.10
Below Average	1.11 - 1.20

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

E. Employment Practices Liability Rate Modifications

8. Human Resources - Loss Prevention and Mitigation

Above Average	0.90 - 1.00
Average	1.01 - 1.10
Below Average	1.11 - 1.20

9. Financial Stability

Excellent	0.75 - 0.95
Average	0.96 - 1.10
Below Average	1.11 - 1.40

10. Salary Range

Average Spread	0.95 - 1.00
Below Average Spread	1.01 - 1.10
High Percentage Earning over \$100,000	1.11 - 1.25

11. Company's Use of Stock Options

Average	1.00
High	1.10 - 1.50

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

F. Fiduciary Liability Rate Modifications

1. Management Quality / Stability

Excellent	0.80 - 0.95
Average	0.96 - 1.05
Below Average	1.06 - 1.25
Poor	1.26 - 1.75

2. Plan and Regulatory Compliance

Fully Compliant	1.00
Minimal Noncompliance	1.01 - 1.15
Material Noncompliance	1.16 - 1.50

3. Type of Benefit Plan

Only Welfare Benefit Plans	0.85 - 1.00
Welfare Benefit and Defined Contribution Plans	1.01 - 1.10
Welfare Benefit, Defined Contribution and Defined Benefit Plans	1.11 - 1.25

4. Employee Stock Ownership Plan

No ESOP	1.00 - 1.10
Public over one year and ESOP Own < 15% of Shares	1.11 - 1.25
Public over one year and ESOP Owns 15% but < 50% of Shares	1.26 - 1.75
Public over one year and ESOP Owns 50% of Shares	1.76 - 2.50
Private or Public over one year and ESOP Own < 15% of Shares	1.20 - 1.50
Private or Public over one year and ESOP Owns 15% but < 50% of Shares	1.51 - 2.00
Private or Public over one year and ESOP Owns 50% of Shares	2.00 - 3.00

5. 401K Invested in Company Stock

Private Company	1.00
Public and < 10% of 401K total value is invested in own company stock	1.01 - 1.20
Public and = 10% of 401K total value is invested in own company stock	1.21 - 1.40

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Rating Modifications Con't

F. Fiduciary Liability Rate Modifications Con't

6. Plan Termination

None in last two years	1.00 - 1.05
In last two years	1.06 - 1.10
In last year or anticipated in next 12 months	1.11 - 1.20

7. Quality of Plan Management

Outside Administrator	1.00 - 1.05
Inside Manager	1.06 - 1.15

8. Quality of Diversity of Plan Investments

Superior	0.90 - 1.00
Average	1.01 - 1.10
Below Average	1.11 - 1.25

9. Funding Position

Funding within 10% of necessary level	1.00 - 1.05
Overfunded or Underfunded by more than 10% but less than 25%	1.06 - 1.15
Overfunded or Underfunded by at least 25%	1.16 - 1.25

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

13. Schedule Rating (All coverages except where noted)

The company premium for the risk may be modified in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits or debits under the following table shall not exceed 25%.

Complexity of Business Operations*	+/- 15%
Legal Climate	+/- 15%
Underwriting Intensity	+/- 15%

*Employment Practices Liability and Fiduciary Liability only.

State:	District of Columbia	Filing Company:	Markel American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2006 Directors & Officers Liability		
Product Name:	Investment Adviser 2016		
Project Name/Number:	Investment Adviser 2016/1610RF017/1610RF017		

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A - New
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A - New
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Memorandum and Support
Comments:	
Attachment(s):	Rate Filing Memorandum IA.pdf Rate Rationale- Investment Advisers.pdf
Item Status:	
Status Date:	

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program

Rate/Rule Filing Memorandum

Markel American Insurance Company (MAIC) wishes to introduce a new Investment Adviser and Fund Professional and Directors and Officers Professional Liability Program that will be written on a claims-made and reported basis for Investment Advisers and Mutual or Hedge Funds. This program will provide primary directors & officers and related professional liability coverages in the rendering or failing to render professional services as an Investment Adviser. The insured entities will primarily consist of sophisticated insured's providing investment advisory services, insured fund services, administrative services, distributor services, hedge fund services or transfer agent services.

The following is a summary of the manual pages contained in this filing.

NEW MANUAL PAGES

MAIC-IA-1 (9/1/2016) – Provides the general rules, which includes a description of the program, rounding procedures, and terrorism coverage.

MAIC-IA-2 (9/1/2016) – Includes the general rules for additional premium changes, return premium changes and policy cancellations.

MAIC-IA-3 (9/1/2016) – Includes the general rule for individual risk situations.

MAIC-IA-4 (9/1/2016) – Begins the insuring agreement rules, Investment Adviser Professional Liability premium computation and base premium.

MAIC-IA-5 (9/1/2016) – Insuring agreement continued, it provides the optional limits and retention factors table.

MAIC-IA-6 (9/1/2016) – Investment Adviser Professional Liability retention factors table continued, Begins the Mutual Fund and Hedge Fund Professional Liability premium computation rules and base premium.

MAIC-IA-7 (9/1/2016) – Provides optional limits and retention rules for Mutual Fund and Hedge Fund Professional Liability, Begins the Service Provider Professional Liability premium computation rules and optional limits.

MAIC-IA-8 (9/1/2016) – Includes retention rules for Service Provider Professional Liability, Begins the Directors and Officers Liability premium computation rules and base premium.

MAIC-IA-9 (9/1/2016) – Includes Directors and Officers Liability optional limits rules and separate retention factors.

MAIC-IA-10 (9/1/2016) – Introduces the Employment Practices Liability premium computation rules and optional limits.

MAIC-IA-11 (9/1/2016) – Includes Employment Practices Liability separate retention factors.

MAIC-IA-12 (9/1/2016) – Introduces Fiduciary Liability premium computation rules and optional limits.

MAIC-IA-13 (9/1/2016) – Includes Fiduciary Liability separate retention factors.

MAIC-IA-14 (9/1/2016) – Provides the optional extended reporting period factors and

optional endorsement rules.

MAIC-IA-15-22 (9/1/2016) – Provides the rating modifications plan.

MAIC-IA-23A (9/1/2006) – Provides the individual risk premium modification plan.

Markel American Insurance Company
Investment Adviser and Fund Professional and Directors and Officers Program
Rate Rationale

Markel American Insurance Company (MAIC) is introducing a new Professional Liability Program to provide coverage for Investment Advisers. This is a new product for Markel; therefore, there is not any actual loss experience upon which to base a rating plan. Since we did not have our own loss experience to base the proposed rating plan on, we based the rating plan on competitor rating plans we reviewed as well as our underwriting judgment.

The base rates for the Investment Adviser Professional Liability coverage and Mutual Fund and Hedge fund Professional Liability which vary by assets under management size, were based upon the Chubb and Arch rating plans. In addition to the base rates, the optional limits of liability were also based upon the factors from the Chubb and Arch rating plans. Below is a summary of the base rate and base retention comparison.

			Markel	Markel	Chubb	Chubb	Arch	Arch
Assets under Management			Base Rate	Base Retention	Base Rate	Base Retention	Base Rate	Base Retention
\$0	to <	\$500,000,000	\$10,000	\$50,000	\$10,000	\$50,000	\$10,000	\$50,000
\$500,000,000	to <	\$1,000,000,000	\$11,000	\$50,000	\$11,000	\$50,000	\$11,000	\$50,000
\$1,000,000,000	to <	\$2,000,000,000	\$12,000	\$50,000	\$12,000	\$50,000	\$12,000	\$50,000
\$2,000,000,000	to <	\$4,000,000,000	\$13,000	\$100,000	\$13,000	\$100,000	\$13,000	\$100,000
\$4,000,000,000	to <	\$7,000,000,000	\$15,000	\$100,000	\$15,000	\$100,000	\$15,000	\$100,000
\$7,000,000,000	to <	\$10,000,000,000	\$20,000	\$100,000	\$20,000	\$100,000	\$20,000	\$100,000
\$10,000,000,000	to <	\$15,000,000,000	\$25,000	\$250,000	\$25,000	\$250,000	\$25,000	\$250,000
\$15,000,000,000	to <	\$20,000,000,000	\$30,000	\$250,000	\$30,000	\$250,000	\$30,000	\$250,000
\$20,000,000,000	to <	\$25,000,000,000	\$34,000	\$250,000	\$34,000	\$250,000	\$34,000	\$250,000
\$25,000,000,000	to <	\$35,000,000,000	\$39,000	\$500,000	\$39,000	\$500,000	\$39,000	\$500,000
\$35,000,000,000	to <	\$50,000,000,000	\$45,000	\$500,000	\$45,000	\$500,000	\$45,000	\$500,000
\$50,000,000,000	to <	\$75,000,000,000	\$50,000	\$750,000	\$50,000	\$750,000	\$50,000	\$750,000
\$75,000,000,000	to <	\$100,000,000,000	\$55,000	\$750,000	\$55,000	\$750,000	\$55,000	\$750,000
\$100,000,000,000	to <	\$150,000,000,000	\$65,000	\$1,000,000	\$65,000	\$1,000,000	\$65,000	\$1,000,000
\$150,000,000,000	to <	\$200,000,000,000	\$75,000	\$1,000,000	\$75,000	\$1,000,000	\$75,000	\$1,000,000
\$200,000,000,000	to <	\$300,000,000,000	\$90,000	\$1,000,000	\$90,000	\$1,000,000	\$90,000	\$1,000,000
\$300,000,000,000	to <	\$400,000,000,000	\$100,000	\$1,000,000	\$100,000	\$1,000,000	\$100,000	\$1,000,000
\$400,000,000,000	to <	\$500,000,000,000	\$110,000	\$1,000,000	\$110,000	\$1,000,000	\$110,000	\$1,000,000

Increased Limit Factors		Markel	Chubb	Arch
Limit	Factor	Factor	Factor	Factor
\$500,000	0.800	0.800	0.800	0.800
\$1,000,000	1.000	1.000	1.000	1.000
\$2,000,000	1.682	1.682	1.682	1.682
\$3,000,000	2.280	2.280	2.280	2.280
\$5,000,000	3.344	3.344	3.344	3.344
\$10,000,000	5.623	5.623	5.623	5.623
\$15,000,000	7.622	7.622	7.622	7.622
\$20,000,000	9.457	9.457	9.457	9.457
\$25,000,000	11.180	11.180	11.180	11.180

The proposed self-insured retentions were based upon the Chubb and Arch Self Insured retentions; however, the Markel self-insured retentions will be added to the increased limits factor, it will not be multiplicative. We subtracted one from the competitor factors in order to appropriately contemplate the change in methodology.

The rates for Service Provider Professional Liability were based upon the rates charged by Chubb for the coverage, which is 15% of the base rates for the investment advisers. The base rates and optional limits for the Directors and Officers coverage were based upon the Chubb and filing using the private company Directors and Officers rates. The optional limits factors for this coverage utilized the identical optional limits factors shown in the above table.

			Markel	Markel	Chubb	Chubb
Assets under Management			Base Rate	Base Retention	Base Rate	Base Retention
\$0	to <	\$500,000,000	\$3,500	\$25,000	\$3,500	\$25,000
\$500,000,000	to <	\$1,000,000,000	\$3,600	\$50,000	\$3,600	\$50,000
\$1,000,000,000	to <	\$2,000,000,000	\$3,800	\$50,000	\$3,800	\$50,000
\$2,000,000,000	to <	\$4,000,000,000	\$4,200	\$50,000	\$4,200	\$50,000
\$4,000,000,000	to <	\$7,000,000,000	\$4,800	\$50,000	\$4,800	\$50,000
\$7,000,000,000	to <	\$10,000,000,000	\$5,400	\$100,000	\$5,400	\$100,000
\$10,000,000,000	to <	\$15,000,000,000	\$6,000	\$100,000	\$6,000	\$100,000
\$15,000,000,000	to <	\$20,000,000,000	\$8,000	\$100,000	\$8,000	\$100,000
\$20,000,000,000	to <	\$25,000,000,000	\$9,000	\$100,000	\$9,000	\$100,000
\$25,000,000,000	to <	\$35,000,000,000	\$10,500	\$250,000	\$10,500	\$250,000
\$35,000,000,000	to <	\$50,000,000,000	\$12,500	\$250,000	\$12,500	\$250,000
\$50,000,000,000	to <	\$75,000,000,000	\$15,500	\$250,000	\$15,500	\$250,000
\$75,000,000,000	to <	\$100,000,000,000	\$18,000	\$500,000	\$18,000	\$500,000
\$100,000,000,000	to <	\$150,000,000,000	\$22,000	\$500,000	\$22,000	\$500,000
\$150,000,000,000	to <	\$200,000,000,000	\$25,000	\$750,000	\$25,000	\$750,000
\$200,000,000,000	to <	\$300,000,000,000	\$26,500	\$750,000	\$26,500	\$750,000
\$300,000,000,000	to <	\$400,000,000,000	\$28,000	\$750,000	\$28,000	\$750,000
\$400,000,000,000	to <	\$500,000,000,000	\$30,000	\$750,000	\$30,000	\$750,000

The rates and optional limits for Employment Practices Liability were based upon the rates and factors utilized by Chubb for its Investment Advisers Program.

	Markel	Chubb
Number of Employees	Base Rate	Base Rate
First 14	\$3,090 flat	\$3,090 flat
Next 45	\$66.50	\$66.50
Next 40	\$43.75	\$43.75
Next 50	\$41.37	\$41.37
Next 50	\$41.12	\$41.12
Next 150	\$39.00	\$39.00
Next 150	\$38.50	\$38.50
Next 250	\$31.12	\$31.12
Next 250	\$23.00	\$23.00
Next 1500	\$4.61	\$4.61
Next 2500	\$3.08	\$3.08
Next 2500	\$1.81	\$1.81
Next 2500	\$1.28	\$1.28
Each Additional	\$1.00	N/A

	Markel	Chubb
Limit	Factor	Factor
\$500,000	0.800	0.800
\$1,000,000	1.000	1.000
\$2,000,000	1.597	1.597
\$2,500,000	1.856	1.856
\$3,000,000	2.099	2.099
\$4,000,000	2.549	2.549
\$5,000,000	2.963	2.963
\$7,500,000	3.896	3.896
\$10,000,000	4.732	4.732

The proposed self-insured retentions were based upon the Chubb Self Insured retentions; however, the Markel self-insured retentions will be added to the increased limits factor, it will not be multiplicative. We subtracted one from the competitor factors in order to appropriately contemplate the change in methodology.

The rates and optional limits for Fiduciary Liability were based upon the rates and factors utilized by Chubb for its Investment Advisers Program.

			Markel	Chubb
Total Plan Assets			Base	Base
			Rate	Rate
\$0	to <	\$250,000	\$800	\$800
\$250,000	to <	\$500,000	\$1,000	\$1,000
\$500,000	to <	\$1,000,000	\$1,500	\$1,500
\$1,000,000	to <	\$1,750,000	\$1,800	\$1,800
\$1,750,000	to <	\$2,500,000	\$2,150	\$2,150
\$2,500,000	to <	\$5,000,000	\$2,600	\$2,600
\$5,000,000	to <	\$10,000,000	\$3,300	\$3,300
\$10,000,000	to <	\$25,000,000	\$4,400	\$4,400
\$25,000,000	to <	\$50,000,000	\$5,525	\$5,525
\$50,000,000	to <	\$100,000,000	\$7,000	\$7,000
\$100,000,000	to <	\$250,000,000	\$8,000	\$8,000
\$250,000,000	to <	\$500,000,000	\$11,300	\$11,300
\$500,000,000	to <	\$1,000,000,000	\$16,000	\$16,000
\$1,000,000,000	to <	\$2,500,000,000	\$25,000	\$25,000
Each additional \$1,500,000			\$8,000	N/A

	Markel	Chubb
Limit	Factor	Factor
\$500,000	0.800	0.800
\$1,000,000	1.000	1.000
\$2,000,000	1.434	1.434
\$2,500,000	1.610	1.610
\$3,000,000	1.771	1.771
\$4,000,000	2.056	2.056
\$5,000,000	2.309	2.309
\$7,500,000	2.851	2.851
\$10,000,000	3.311	3.311

The proposed self-insured retentions were based upon the Chubb Self Insured retentions; however, the Markel self-insured retentions will be added to the increased limits factor, it will not be multiplicative. We subtracted one from the competitor factors in order to appropriately contemplate the change in methodology.

The proposed rates and factors for the optional coverages were based on a combination of Competitor rates, Markel rates and underwriting judgment. The below table summarizes the derivation of the proposed charges.

Coverage	Source	Differences
Extended Reporting Period	Markel Management Liability	None
Investigative Costs for Derivative Demand	Underwriting Judgment	N/A
Outside Directorship Liability	Chubb	None
Combined Aggregate Limit	Arch	Similar net effect

Underwriting Considerations

We believe the target insureds and quality of risks will be similar to the competitors we reviewed. The proposed rating plan provides premium adjustments for numerous risk characteristics that may vary for individual insureds. For these reasons we did not make any additional specific modifications based upon underwriting considerations.

Underwriting Expense Considerations

Markel's underwriting expenses underlying the proposed rating plan total 36.75%. For Chubb filings we reviewed containing documentation of underlying expenses, the underlying expenses were 33.2%, while the Arch expenses were 39.9%. Because of the similarities of the underlying expenses, we did not modify our proposed rates to contemplate expense differences.

Summary

Because the proposed rating plan has similar base rates, rating factors, exposure to loss and underwriting expense consideration, it is our opinion that the proposed rates are adequate, not excessive and not unfairly discriminatory. As with any new program, we will closely monitor the loss experience as it becomes available to ensure the rating plan continues to be appropriate.